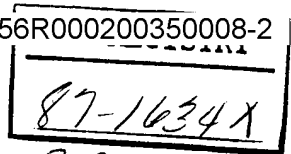




OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

NATIONAL INDUSTRIAL  
SECURITY ADVISORY COMMITTEE

NOV 12 1987

## MEMORANDUM FOR NISAC MEMBER ORGANIZATIONS

SUBJECT: Minutes of the National Industrial Security  
Advisory Committee (NISAC) Meeting September 16,  
1987 and Agenda for the December 2, 1987 Meeting

Mr. Kenneth Lopez, Bureau of Diplomatic Security, Department of State, Washington, D.C., served as the host for the September 1987 meeting. We extend our appreciation and thanks to Mr. Lopez for his hospitality.

For the information of members attending the last meeting, members unable to attend and "silent partners", the following is provided:

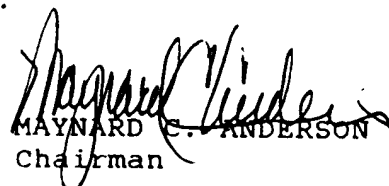
a. Copy of the NISAC Meeting Minutes for September. Due to administrative and cost conditions, distribution of the meeting minutes is limited to the senior agency representative identified on our membership list. Reproduction of the meeting minutes is limited to copies needed for in-house use only; reproduction and distribution of the minutes for other than in-house use requires approval of the NISAC Chairman;

b. copy of the proposed agenda for our December meeting, and;

c. NISAC Information Request Letter.

Our next meeting will be hosted by the U.S. Army at the Pentagon on December 2, 1987. Details on exact location and transportation will be provided in the final meeting notice.

Questions concerning NISAC membership or activities can be directed either to me or our NISAC Executive Secretary, Mr. Walt West, DIS HQ (202) 475-0906.

  
MAYNARD C. ANDERSON  
Chairman

Attachments



## OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

'NOV 12 1987

NATIONAL INDUSTRIAL  
SECURITY ADVISORY COMMITTEE

NATIONAL INDUSTRIAL SECURITY ADVISORY COMMITTEE  
NISAC MEETING MINUTES  
 (September 1987)

OPENING REMARKS BY NISAC CHAIRMAN: Mr. Maynard C. Anderson, Director, Security Plans and Programs, Office of the Deputy Under Secretary of Defense (Policy)(ODUSD(P)) and NISAC Chairman opened the meeting at approximately 9:30 a.m., September 16, 1987, at Headquarters, Department of State, Washington, D.C. Mr. Anderson welcomed the membership, and thanked the meeting host, Mr. Kenneth Lopez, Bureau of Diplomatic Security, for his hospitality.

WELCOMING REMARKS BY STATE DEPARTMENT REPRESENTATIVE: Mr. Lopez welcomed the membership to the State Department, and then, introduced the State Department keynote speaker, Mr. Clark M. Dittmer, Assistant Director, Diplomatic Security Service For Protection and Investigations, Bureau of Diplomatic Security.

SECURITY PROGRAM PRESENTATION BY STATE DEPARTMENT REPRESENTATIVE: Mr. Dittmer, identified above, opened his presentation by indicating that there were three offices under his cognizance performing security and investigative functions. They are (i) Office of Investigations which is responsible for personnel security and criminal investigations both within and outside the United States, (ii) Office of Protection which is responsible for protective details for foreign diplomats assigned to or visiting the United States, and selected State Department officials, and (iii) Office of Procedural Security which is responsible for industrial security matters of an unclassified and classified nature. In general, Mr. Dittmer addressed State Department personnel security investigations; security clearance issuance, suspension and revocation practices and procedures relating to (i) foreign personal relationships, (ii) use of the polygraph, (iii) adverse information issues, and (iv) due process regulations; activities of field offices throughout the United States; protective detail activities at the United Nations in New York; training and assistance programs for foreign mission personnel assigned to the United States designed to reduce State Department protective activities for foreign diplomatic personnel; reimbursement to law enforcement for extraordinary protection assistance; and, consolidation of industrial security responsibilities and authority under the Office of Procedural Security.

Mr. Dittmer's presentation was both interesting and informative. Due to its unique and unusual nature, a lengthy question, answer and discussion period occurred at the end of the presentation on use of the polygraph, clearance suspension and revocation practices in U.S. government agencies, and the development of adverse information within and outside the United States. Mr. Dittmer's presentation and comments were well received and appreciated by the membership.

COMMENTS BY NISAC CHAIRMAN: Mr. Anderson commented as follows:

- o He expressed his appreciation to Mr. Dittmer for his excellent presentation.

- o Mr. Richard H. Anderson submitted a proposal to the NISAC Chairman to be relieved of his assignment as the NISAC Executive Secretary, due to a conflict between his official duties with DIS and his NISAC duties resulting in his missing the last two NISAC meetings. Mr. Anderson recommended that Mr. Walter D. West, Headquarters, DIS, be appointed to replace him. Mr. Richard Anderson's proposal was accepted with regret, and with an expression of appreciation for his past excellent services. A letter accepting his proposal will be transmitted to him confirming the above.

- o Colonel Anthony J. Gallo, Jr., Office of the Deputy Chief of Staff for Intelligence, Department of the Army, Pentagon, will be retiring from the Army on October 31, 1987. Colonel Gallo's participation in and support of NISAC was recognized. Colonel James R. Linnen, USA will be replacing Colonel Gallo.

- o The Defense Comptroller approved reprogramming funds in the amount of \$270,000 for the Department of Defense Security Institute (DSI). The funds, which must be spent before the end of FY 87, will be used to hire nine more instructors and purchase some equipment for DSI.

- o The special access program (SAP) review conducted by the DIS and by a Review Panel which I chaired has been completed. The final report will be provided to appropriate members of Congress. Dissemination of the report to member agencies will be forthcoming.

- o About a month ago, a meeting was held in San Diego, CA to review and discuss Independent Research and Development (IRAD) Program activities. Basically, IRAD is a program of independent research and development by contractors designed to explore areas which may be of interest to the U.S. government. Funding of IRAD projects is absorbed entirely by the contractor; if the contractor discovers or develops something of interest to the U.S. government, the possibility exists that the contractor can recover about 97 percent of investment. As a result of the San Diego meeting, we have concluded that the handling, safeguarding and control of classified information provided to IRAD contractors has become a significant problem for us. The problem stems from misinterpretation of the current policy on IRAD relating to access to and retention of classified material by contractors and other defects noted in current IRAD policy and guidelines. To give

you an opportunity to provide input on this matter, I'm attempting to obtain a copy of the IRAD meeting minutes which will be disseminated to the membership for your review and comment.

o During the next Defense Information Security Committee meeting, we will review the issue of caveats called "special need-to-know" (SNTK) and "controlled need-to-know" (CNTK). The caveats are utilized to identify information falling between special access programs and other classified information. The use of the aforementioned caveats are causing us some administrative problems. We hope to resolve this problem in the near future.

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o A marketing survey was conducted to determine government and industry response to the completed section of the new ISM rewrite being undertaken by Tom Welch at DSI. The results are in and have been found to be generally favorable to the new ISM rewrite. Based on the results, it has been decided to continue this project.

o Another problem that I would like to bring to your attention relates to classified symposia sponsored by the government and participated in by cleared industry associations. It seems that the government agencies sponsoring the classified symposia apparently do not understand the meaning of sponsorship. We have discovered that government agency sponsors are not controlling and monitoring the symposia as required, but are, instead, turning over control of the symposia to associations who, in turn, are using this forum to enhance their own business activities and opportunities. This is not in accordance with the Taft Memorandum which specifically outlines how and for what purpose the symposia will be sponsored. To rectify this situation, we will be issuing a new and more restrictive directive concerning symposia sponsorship.

o As many of you are probably aware, there is some controversy surrounding the use of the Classified Information Non-Disclosure Agreement Form (SF 189). As a result of this controversy, i.e., some government employees have refused to sign their SF 189, federal employee unions have filed suits over the use of the form, and Congress is questioning whether appropriate due process criteria can be or will be afforded individuals executing the form, use of the form is under review. Hopefully, the whole situation will be resolved through favorable court decisions and meetings with Congressional representatives in the near future. (NOTE: In response to a question by a member regarding problems experienced with industry use of the SF 189-A, a negative response was provided, i.e., we haven't heard of any problems in use of the form. Unlike the SF 189, the SF 189-A does not contain the controversial word "classifiable", which has been the basic roadblock in government-wide acceptance and use of the SF 189.)

NISAC EXECUTIVE SECRETARY REPORT: Mr. Walter D. West reported the following:

o For membership advance planning purposes, a proposed FY 88 schedule for NISAC meeting dates will be provided in the next mailing.

Meetings will be scheduled in the months of December 1987, and March, June and September 1988. Locations and exact dates or adjustments will be provided by routine NISAC meeting announcement correspondence.

o Our next meeting is scheduled for December 2, 1987 at 9:30 a.m. The meeting will be hosted by the Office of the Deputy Chief of Staff for Intelligence, Department of Army at the Pentagon.

o Hosts are needed for our March, June and September 1988 meetings. Members wishing to host one of the meetings should notify the NISAC Executive Secretary at 475-0906. To consolidate NISAC program activities, meeting hosts are being requested to provide agency orientation on industrial security.

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COMMENTS AND POLICY UPDATE ON INDUSTRIAL SECURITY BY OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE (POLICY)(ODUSD(P)) REPRESENTATIVE: Mr. John Frields, Deputy Director (Industrial Security), Security Plans and Programs Directorate, provided the following:

o Contractor implementation of requirements to have SF 189-A executed by their employees has been established as the end of calendar year 1988.

o At the suggestion of a senior security official of the German Ministry of Economics, a March meeting was held in Bonn, FRG to discuss security problems resulting from multi-national classified contracting efforts not addressed directly under bilateral security agreements or NATO security regulations (CM 55(15) Final). Participating in the meeting were representatives from the U.S., U.K., France and FRG. Participants identified problem areas as (i) contractor couriers, (ii) expedited visits, (ii) transportation of bulk shipments, and (iv) secure communications. In June another meeting was held in Bonn with representatives from most NATO countries attending. As a result of this meeting some preliminary procedures were developed. Review and completion of the preliminary procedures is expected to be accomplished during another meeting to be held in Italy during October 1987. Results of the Italian meeting are expected to be circulated to U.S. agencies for review and comment. Any NISAC member who feels that other areas should be addressed can contact John Frields at 695-5179.

NISAC STANDING SUBCOMMITTEE REPORTS:

o Introductory Comments by Chairman: During the June meeting, I solicited comments concerning a proposal to consolidate our four subcommittees into two. The proposal would establish a Personnel Security Subcommittee and a consolidation of the other three subcommittees into a Countermeasures Subcommittee. No objection to this proposal has been received, therefore, we'll go forward with it. Members are requested to nominate chairpersons for the Personnel Security Subcommittee and the Countermeasures Subcommittee.

o Personnel Security Subcommittee (PSS): PSS has meet twice since the last meeting. One area we looked at was A-130 which established policy and guidelines for investigative requirements relative to contractors working on automated information systems, where access to classified information is not a consideration. We found that A-130 language is very vague and at times confusing. Sensitivity, determinations and guidelines for investigative coverage on A-130 access were identified as problem areas. Further, we found that there is no central source or repository for verifying whether or not an investigation has been conducted under A-130 requirements. As a result of our research and review, we have drafted a letter to OMB requesting clarification and/or amplification of A-130 requirements. Included in our draft letter are suggestions for making A-130 more effective and useful. (Note: House Bill 145, dealing with automated information protection, was discussed as possibly precluding submission of the letter to OMB. It was determined that House Bill 145 did not address the concerns expressed in the PSS review; therefore, the letter is to be coordinated, completed and submitted to OMB.)

oo The subject of duplicate investigative coverage was brought up and addressed by Mr. Anderson.

\* oo Another question came up regarding the establishment of a central repository for adverse information/investigative files. ~~Then~~ matter was discussed and tabled for further exploration.

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o Information Security Subcommittee (ISS): Mr. Gene White advised that ISS had nothing to report.

o Physical/Automated Subcommittee (PASS): Mr. Larry Moore reported that he had attended a demonstration of "liquid window". Liquid window is a chemical process through which classified information can be accessed while in sealed envelopes currently employed for the transmission of classified information. Costs associated with obtaining and using this process is relatively high. Defeating the process can be accomplished by using special envelopes or by including a sheet of carbon paper on the top and bottom of envelope contents.

o Special Actions Subcommittee (SAS): No report.

DEFENSE INDUSTRIAL SECURITY PROGRAM (DISP) UPDATE BY DEFENSE INVESTIGATIVE SERVICE (DIS) REPRESENTATIVE: Mrs. Judy Hughes, Chief, Program Management Office, Headquarters, DIS, representing the Director, DIS, provided the following:

o The November 1986 issue of the Department of Defense (DoD) Industrial Security Manual for Safeguarding Classified Information, ISM (DoD 5220.22-M) has been revised consistent with Stilwell recommendations and other policy determinations. The new ISM is at the publishers and is expected to be in the hands of government and industry around the 1st of October.

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o We are continuing our efforts to reduce processing times associated with the issuance of both facility security clearances (FCL) and personnel security clearances (PCL). In October of last year, we instituted new programs designed to reduce processing and issuance times for FCL's and PCL's. As a result of this action, a decrease in processing and issuance times has been noted.

o In the area of Special Access Program (SAP) inspections, we have completed arrangements with Army, DARPA and SDIO to inspect their contractor SAP's. IS Reps are currently being read-on to the programs and will start inspecting in the near future.

o A communications security supplement to the ISM has been coordinated and is expected to be published in the near future.

INFORMATION SECURITY AND SPECIAL PROGRAMS UPDATE BY OFFICE OF DEPUTY UNDER SECRETARY OF DEFENSE (POLICY)(ODUSD(P) REPRESENTATIVE: In the absence of Mr. Richard Williams, who normally provides subject information report, Mr. M. Anderson provided the following:

o The new DoD Directive 5205.7 dated June 5, 1987, relating to Special Access Programs appears to be working well.


o The Special Access Program Handbook is out for coordination and comment. Agency responses are due around the 20th of September. Upon receipt and review of the responses we will determine which direction to go on completing the handbook.

o There is a TEMPEST conference, sponsored by NSA, currently taking place at APL.

o The new TEMPEST policy, containing a number of changes, is in for final review. It is expected to be issued in the near future.

AREAS OF CONCERN:

o Mr. Gene White, Information Security Office, Kirtland AFB, expressed concern over a DIS inspection requirement that a cleared facility, which has an automated information processing system approved for SCI use, and which is concurrently processing collateral classified information, must be identified and accredited by DIS under Section XIII, ISM provisions. In response to Mr. White's concern, Mr. Moore advised that DIS is reviewing his concern and has decided not to cite contractors with a deficiency until the issue is resolved. Additionally, Mr. Anderson advised that the situation is under review.

  
MAYNARD C. ANDERSON  
Director Chairman

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NISAC MEETING AGENDA  
DECEMBER 1987

OPENING REMARKS BY NISAC CHAIRMAN

WELCOMING REMARKS BY U.S. ARMY REPRESENTATIVE

SECURITY PROGRAM PRESENTATION BY U.S. ARMY REPRESENTATIVE

COMMENTS BY NISAC CHAIRMAN

NISAC EXECUTIVE SECRETARY REPORT

COMMENTS AND POLICY UPDATE ON INDUSTRIAL SECURITY BY  
SECURITY PLANS AND PROGRAMS (SP&P), OFFICE OF THE DEPUTY  
UNDER SECRETARY OF DEFENSE (POLICY) (ODUSD(P))  
REPRESENTATIVE

NISAC STANDING SUBCOMMITTEE REPORTS (Note: Reorganization  
and redirection of standing subcommittees has been effected;  
NISAC Chairman will formally announce the change and  
committee chairman selections during this meeting.)

- o COMMENTS BY NISAC CHAIRMAN
- o PERSONNEL SECURITY SUBCOMMITTEE (PSS)
- o COUNTERMEASURES SUBCOMMITTEE (CS) (formerly the  
Information Security, Physical/Automated, and Special  
Actions Subcommittees)

DEFENSE INDUSTRIAL SECURITY PROGRAM (DISP) UPDATE BY DEFENSE  
INVESTIGATIVE SERVICE REPRESENTATIVE

INFORMATION SECURITY AND SPECIAL PROGRAMS UPDATE BY SP&P,  
ODUSD(P) REPRESENTATIVE

AREAS OF CONCERN



## OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

NOV 12 1987

NATIONAL INDUSTRIAL  
SECURITY ADVISORY COMMITTEE

## MEMORANDUM FOR NISAC MEMBER ORGANIZATIONS

SUBJECT: NISAC Information Request


The purpose of this memorandum is to request (i) nominations for or volunteers to serve as Standing Subcommittee Chairman for either the Personnel Security Subcommittee or the Countermeasures Subcommittee, (ii) hosts for remaining FY 88 NISAC Meetings, and (iii) completion and submission of a membership update questionnaire.

Effective December 2, 1987, NISAC Standing Subcommittees will be reduced from four subcommittees to two. The new standing subcommittees will be the Personnel Security Subcommittee (PSS) and the Countermeasures Subcommittee (CS). Members wishing to chair either subcommittee or submit a nomination for either position should contact me prior to the December meeting.

In an effort to allow members to program for attendance at NISAC meetings during FY88, I have established December 1987, and March, June and September 1988, as our meeting months. The actual date of the meeting, except for our December 1987 meeting which is being hosted by the U.S. Army on December 2 at the Pentagon, will be established between the NISAC Chairman and the member hosting the meeting. Members wishing to host either the March, June or September meeting are requested to indicate their selection on the attached questionnaire.

To ensure that our NISAC Membership Listing is current and accurate as to members, their organizations, telephone numbers, it is requested that the attached NISAC Membership Questionnaire be completed and returned to our NISAC Executive Secretary prior to November 23, 1987. Your timely submission will allow our NISAC Executive Secretary time to prepare and publish an updated membership listing for distribution at the December meeting.

Should you have any questions regarding this memorandum or NISAC membership activities or qualifications, please contact either Mr. West at (202) 475-0906 or myself at (202) 695-0122.

  
MAYNARD C. ANDERSON  
Chairman

Attachment

SUBJECT: NISAC Information Questionnaire

It is requested that members complete and return this questionnaire, prior to November 23, 1987, to:

DEFENSE INVESTIGATIVE SERVICE  
Directorate for Industrial Security (V0400)  
Attn: Mr. Walter D. West  
NISAC Executive Secretary  
1900 Half Street, S.W.  
Washington, D.C. 20324

NISAC Member Information: It is requested that the following information be provided on the Senior Agency Representative (normally represents agency at meeting and receives meeting correspondence) and one alternate representative (will represent the agency in absence of Senior Agency Representative).

Senior Agency Representative Information:

Name:  
Title:  
Agency Name and Mailing Address:

Telephone Number(s):      Commercial (    )  
                                 Autovon  
                                 FTS

Clearance Information:      Level:  
                                 Date Issued:  
                                 Issuing Agency:

Alternate Agency Representative Information

Name:  
Title:  
Agency Name and Mailing Address:

Telephone Number(s):      Commercial (    )  
                                 Autovon  
                                 FTS

Clearance Information:      Level:  
                                 Date Issued:  
                                 Issuing Agency:

NOTE: Senior Agency Representatives desiring to have additional representatives attend meetings should notify the NISAC Executive Secretary in advance of the meeting. This limitation has been imposed based on meeting space considerations. Your cooperation will be appreciated. Thank You.

NISAC MEETING HOST: Meeting hosts are needed for March, June and September 1988.

I would like to host the \_\_\_\_\_ (fill-in with either March, June, September or leave blank) meeting.

NOTE: Meeting hosts can, if they desire, give a short presentation on their agency security or industrial security program.

NISAC SECURITY EDUCATION AND/OR INFORMATION PROGRAM: Periodically, members obtain security information of interest to other members. In most cases, this information does not get wide distribution. To assist other members in staying current on subjects of security interest or of use in their security education programs, consideration is being given to establishing a limited NISAC Security Education and/or Information Program.

Question: Are you interested in having the aforementioned program established? Yes      No      Would like to discuss further as a NISAC Meeting Agenda Item (Check one blank).

Submitted By: Print Name and Telephone Number:

**Page Denied**

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